
IN THE
United States Court of Appeals
FOR THE NINTH CIRCUIT.

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Civil Action—No. 15714.
—————

TALON, INC.,
Appellant,

v.

UNION SLIDE FASTENER, INC.,
Appellee.

—————
UNION SLIDE FASTENER, INC.,
Appellant,

v.

TALON, INC.,
Appellee.

**ANSWERING BRIEF FOR UNION,
DEFENDANT-APPELLEE.**

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FILED

5-13-58

PAUL P. O'NEIL, CLERK

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This cause is before the Court upon cross appeals by the plaintiff, Talon, Inc. hereinafter referred to as "Talon" and by the defendant, Union Slide Fastener, Inc. hereinafter referred to as "Union". Both parties appeal from a judgment entered May 31, 1957 in the District Court for the Southern District of California upon a memorandum to counsel and findings of fact and conclusions of law (Carter, J.). Union appeals from that portion of the judgment dismissing defendant's counterclaim under the anti-trust laws for failure to demonstrate damages accruing from Talon's acts; Union has already filed a brief regarding its appeal from that portion of the judgment dismissing the counterclaim under the anti-trust laws.

Talon appeals from that portion of the judgment dismissing Talon's complaint and awarding Union counsel fees in the amount of \$20,000. In particular, Talon has appealed from judgment adverse to two patents, Poux 2,078,017 and Silberman, No. 2,437,793. Talon, after such

adverse judgment, now withdraws its appeal as to Poux '017. This brief is by Union as appellee in answer to Talon's opening brief.

A. Statement of the Case.

Talon's brief is remarkably silent as to the history and background of its lone remaining patent No. 2,437,793 to Silberman, hereinafter referred to as '793. The facts and state of the art surrounding the application for the Silberman patent and the extrinsic facts relating to the purchase of Silberman's patent by Talon are of great pertinence to the present issues.

Silberman '793 relates to an apparatus for the manufacture of the zipper chain employing so called "progressive" (R. 331) punches and dies. Zipper chain comprises the cloth tape and the series of small, attached horseshoe shaped elements that are the engaging parts of the zipper, as it is commonly utilized (Ex. AX, AY). Silberman lays no claim to any new principle or method of operation in his patent.

In March, 1916, Gideon Sundback applied for a patent on a sheet metal forming and setting machine. This machine was a multistep affair, which first formed the little horseshoe zipper elements in a progressive die punch-press and secondly then attached the elements to beaded zipper tape (R. 508, 996, 496).

The resulting patent 1,331,884 (Ex. E) described for the first time a machine in which individual forming and handling of preformed zipper elements was eliminated. Attaching and spacing of the zipper elements on the tape required no special extra machinery.

Though the Sundback machine was a considerable advance in the zipper art, manufacturing was still slow and remained expensive because highly trained labor was required to use it (R. 206). Hookless Fastener Corporation as Talon was formerly known (R. 449, 558), the assignee of the Sundback patents, used these '884 machines (R. 206) and with some improvements (as shown in Sundback patent

1,467,015) still uses such multistep machines in some operations (R. 208).

Subsequently, Noel Poux who had been an employee of Talon, in 1931 applied for patent 2,078,017. The assigned '017 application was ultimately issued to Talon (R. 558), was held invalid by the District Court (R. 193), and is now repudiated by Talon. Poux '017 showed an alleged improvement over Sundback's machine by combining the various steps of forming the element and applying it to the zipper tape. In Poux '017 the element was clamped to the tape by jaws applying pressure directly to the zipper element while it is still attached to the strip of metal from which it was being punched (R. 253). Poux then showed a subsequent severing operation, separating the now attached element from the stock (R. 253).

The machine described in the Poux '017 patent left the zipper world unshaken, as it was never used by anyone, not even Talon (R. 469, 602). The patent itself, however, performed admirably and was used by Talon for years as a club to implement its schemes of monopoly as described in Union's brief on the anti-trust matter already filed. In the late thirties and early forties, Talon continued to use the rapidly antiquating Sundback methods (R. 208), meanwhile forcing licenses on the industry under the now repudiated Poux patent (Exs. S, T, U, V, W, X, Y, AA, AB, AC, AD, AE, AF, AG, AG-1, 11, R. 586-600). New developments toward speed and efficiency were being made by Conmar Mfg. Co. These developments covered by patents to Ulrich 2,221,740 (Ex. F), Wintritz 2,201,068 (Ex. L), Wintriss 2,336,662 (Ex. BG), Ulrich 2,370,380 (Ex. BH), Ulrich 2,320,075 (Ex. BU) and Ulrich 2,338,884 (Ex. BV) were for machines which formed and activated in tandem—one machine coining and forming round wire into serrated, recessed "embryo" elements, the second machine rapidly attaching the coined elements as they came off the coining machine (Ex. L). As Union pointed out in its own opening brief, Talon asserted the Poux patent against Conmar and induced Conmar to license under the now repudiated Poux patent in what Union asserts is an illegal quota license (Ex. 11).

The success of Conmar's method signalled the entrance of David Silberman who, it was judicially construed, "pirated" the Conmar machines (R. 92 Interrogatory 102, R. 540, R. 1004) and was ultimately enjoined. *Conmar v. Lamar*, C. A. No. 9-197 filed June 12, 1940, (USDC-SDNY). Silberman, seeing the end of his piracy of Conmar's method, proceeded to develop a machine (R. 1025), the '793 patent, which Havekost, Silberman's designer said was Havekost's own invention (R. 1508). In September of 1944, Silberman proceeded to apply for what ultimately issued as the '793 patent here in suit.

The Silberman application was filed one month later than the application of one Sigmund Loew, but issued five months earlier, in March, 1948. The Loew patent 2,444,706 (Ex. O) issued in July, 1948. The position of the Loew patent was the source of much controversy in the District Court. The Loew application also related to a slide fastener machine (Ex. O) and embodied combinations found in the prior art. It was, however, the first machine to employ a string of metal stock timed to move with a moving tape, where the movement of the stock and tape is synchronized with a punching operation of progressive dies and the element formed as a result is attached to the tape with closing jaws closing directly on the element at about the same moment that the finished element is severed from the stock, in which a so-called "square-shouldered" zipper element (R. 780, 950) is the final product (R. 946-950).

In 1946, Loew, finding it difficult to obtain materials because of wartime shortages in Canada, went to California and formed Union (R. 1419-1420), the defendant here. In 1947, Philip Lipson (R. 710), the present president of Union, joined Loew, in effect, as a "partner" in Union (R. 885, 1398). Lipson, a skilled mechanic, worked to improve the operation of Loew's machine and finally went abroad to sell the resultant product (R. 875). In England, Lipson learned for the first time of the issuance of the Silberman patent (R. 872) and on Lipson's subsequent return to California in August, 1948, Silberman called Union and arranged a meeting at the Hollywood Roosevelt Hotel (R.

871-878, 1398-1404). Silberman and Loew engaged in a discussion which ultimately resulted in admissions by Silberman that this patent could not "hold water" (R. 874, 880, 1403, 1416, 1423). Silberman was apparently disturbed by Lipson's appearance with Loew's machine in Europe as it appears that Silberman had received \$650,000 (R. 873) for a royalty agreement on the Silberman machine in Europe and felt threatened by the appearance of a similar machine (R. 873-874, 1398-1403). The record is without dispute that Silberman stated that his primary interest in promoting his patent lay in Europe and that he was unconcerned about Union's manufacture of the Loew machine in the United States or South America and offering to refrain from making claims against Union if Union would refrain from European sales (R. 875, 1400, 1423).

Loew, called by Union as a witness, proved to be hostile, having been engaged in an internecine legal battle with Lipson (R. 964). Despite his hostility, Loew's testimony bears out phrase for phrase, Lipson's version of the resulting understanding with Silberman (R. 871-878, 1398-1404, 1416, 1423). Thus, Loew testified that Silberman said "You know, both are patents which will not hold water" (R. 1416, 1423), whereas Lipson testified that Silberman said "You know, my patent will not hold water" (R. 874, 880), clearly, an admission against Silberman's interest. Loew testified that there was talk of infringement suits, that Silberman stated clearly that (Silberman) did not care what Union did with their machines as long as they did not sell them in Europe (R. 1398-1403). While Loew goes on to say that no agreement was reached *vis-a-vis* the withholding of infringement actions if Union made no further efforts to sell their machines in Europe (R. 1401), the testimony permits no other inference (R. 878-892, 1402-1403). Thereafter, neither Union, Loew nor Lipson sold Union machines in Europe, although an offer to buy five was subsequently received from Nagele in Germany (R. 890, 878-892, 1402-1403).

Talon, meanwhile, did not remain idle. It suddenly decided in early 1948 to correspond with Union charging infringement of their patents (R. 899). In regard to this, Talon arranged for the visit in April of 1948, of one of their officers, one McKee, to Union (R. 901-903, 1405-1410). McKee, in the company of Loew whom he had previously contacted, was shown through Union's plant (R. 901, 902, 1404, 1405, 1411). At the end of the tour, McKee and Loew discussed the result of McKee's inspection in an adjoining office within Lipson's earshot (R. 901, 902, 1411, 1412). The District Court, in its assay of the testimony, believed Lipson's statement that McKee admitted that there was no infringement of Talon's patents (R. 901, 902) and found as a fact that Talon was estopped from asserting infringement as a result of these admissions (Finding XXIII, R. 182). McKee's report to Talon of his visit to Union substantiates this as no inference of patent infringement by Union can be drawn (Ex. 14, R. 572, 574).

Soon after McKee returned, Talon without further investigation and knowing full well Silberman's reputation as "an industrial pirate" (Woolsey, J. in *Conmar v. Lamar supra*), purchased an option on the Silberman '793 and just before commencement of this suit exercised the option (Ex. 8, R. 458). A meeting was held in Los Angeles, the details of which are fully recounted in Union's opening brief in its cross appeal. It suffices to say here that Union would not agree to become part of a proposed price fixing conspiracy. Within a matter of weeks, Union's plant was burglarized and fired, with the burglars singling out blue prints covering the latest innovations in chain machine design developed by Lipson (R. 954, 955). These same innovations, some of which were developed after Talon's McKee had visited Union, quite miraculously appeared in Talon's Exhibit 5 (Finding XI, R. 191, R. 723-728, 734, 739, 820-844). Exhibit 5 purported to be a machine built in accordance with Silberman's '793 patent, but was, in fact, a Chinese copy of Union's Loew machine.

The climax of all this is the subsequent filing of Talon's present suit against Union.

B. The Silberman Patent in Suit is an Unpatentable Aggregation of Old Elements.

The Silberman patent is an unpropitious collection of old and well-known devices, each performing exactly the same function as it always has done, and is even less of an inventive nature than the patent invalidated by this Court in *Photochart et al. v. Photo Patrol Inc. et al.*, 9 Cir., 189 Fed. 2d 625. The Silberman patent describes a punch press for forming and attaching zipper elements to zipper tape. The punch press arrangement employs a strip of metal, forming it into the shape of a zipper element and by the use of a pair of jaws, squeezes the element in the same operation onto the appropriate portion of an adjacent zipper tape. The operation is repeated and elements are thereupon serially placed upon the zipper tape.

The Silberman patent claims in suit are purportedly for combinations and therefore must depend for validity upon the patentability of the concept of combining—not upon the novelty of any elements of the claim which are presumed to be old. Such combinations have long been construed by the courts.

Thus:

The Corn-Planter Patent, 90 U. S. 181, 224:

“Where a patentee, after describing a machine, claims as his invention a certain combination of elements, or a certain device, or part of the machine, this is an implied declaration, as conclusive, so far as that patent is concerned, as if it were expressed, that the specific combination or thing claimed is the only part which the patentee regards as new.”

Richards v. Chase, 159 U. S. 477, 486:

“There is clearly no novelty in the individual steps of this transfer. Indeed, the failure to claim either one of the elements separately raises a presumption that no one of them is novel.

The novelty, then, must be in the combination, which differs from the combination of an ordinary elevator only in the omission of the storage features by which grain is housed in transit, and its identity lost.”

The District Court found that the alleged Silberman invention was unpatentable as a combination of old features saying (Rec. 135):

“A mere inspection of plaintiff’s own charts, as to Silberman ’793, Exs. 20 and 21, will show that every element in Silberman was present in the prior art. However, even the charts are misleading, in that Talon’s expert witness admitted that the charts were not strictly correct.”

1. The art prior to Silberman.

Speaking of the art prior to Silberman’s aggregation, the Court said (Rec. 131):

“The field concerning the zipper art is a crowded one. The basic and generic patent is not Poux ’017. Probably Sundback 1,331,884 made the greatest contribution. Most present manufacturers lean on Sundback ’884. Naegle and others had taught how to make zipper units which were subsequently placed on the tape in another operation. Sundback ’884 made great steps forward toward the solution of (325) the problem of doing the whole job in one operation. The court generally agrees with Lipson’s analysis, pp. 27-49 of his brief.

“Other contributions were:

Johnson	1,731,667
Binns	2,026,413
Smith	1,533,352
Legat	2,116,726
Ulrich	2,221,740, 2,302,075, 2,370,380 and 2,338,884.

Although Talon complains that a “multiplicity of patents” are cited against its Silberman patent (Plaintiff’s brief, p. 40), Talon’s complaint is exaggerated.

The fact is, as Talon knows all too well, the Sundback patent (R. 1723) which Talon used to dominate the zipper field for many years, contains every element to be found in the purported Silberman invention. For example, a study of claim 40 which Talon has “explained” in such colorful, if inaccurate, illustration in its brief, disclosed that

each and every element affirmatively recited in plaintiff's claims can be found in Sundback '884 reference, not cited in the Patent Office file history. Thus, the following comparison can be made:

Silberman Claim 40	Sundback '884
1. A base	Fig. 10
2. A ram movable with relation to the base.....	Fig. 10; 16
3. Means for feeding a substantially uniform metallic strip between the ram and the base	Figs. 1 & 4; 3, page 2, lines 16 to 30
4. Means for feeding a tape in a fixed path past the end of the fed strip.....	Figs. 11, 12 & 17:63, 66; page 3, lines 91 to 118
5. The ram and the base having complementary means for forming and separating a slide fastener element from the fed strip	Fig. 3 & 4:22, 23; page 2, lines 41 to 56
6. A pair of jaws on the base, immediately at the position of the separating means, the jaws being disposed on either side of the tape and being slidable toward each other for engaging and closing the element upon the edge of the tape as it is separated from the strip..	Fig. 3, 19:46; page 3, lines 33 to 47

Silberman Claim 40

Sundback

- | | |
|---|---|
| 7. And means on the ram for engaging to drive them into engagement with the element to close it upon the edge of the tape | Figs. 2 & 3:47, 48, 49, 50, 51, 52; page 3, lines 47 to 53 |
| 8. The jaws and the jaw engaging means having cam faces for direct engagement..... | Fig. 2:47 & 48; page 3, lines 47 to 53 <i>are equivalent.</i> |

There is *no* difference in this catalogue of elements; only the final functional statement regarding the “jaw and jaw engaging means having cam faces for direct engagement” offers Talon any comfort. The use of cams to actuate clamping jaws on zipper chain machines, however, is certainly old, being clearly shown in the patent to Taberlet (R. 1836), U. S. Patent 2,294,253. Taberlet in Fig. 1 of this patent shows cams 51, actuating arms 52, to operate clamping jaws 49.

Talon’s opening brief does not attempt to argue that any new element is to be found in the Silberman disclosure (Plff’s brief, p. 30); Talon’s expert Doble admitted this state of affairs (Rec. 1078, 9). Talon instead, now retreats to a foxy argument, the gist of which appears to be that some new and different *function* results from the fact that the element is held “under complete control while it is being clamped on the tape.” This, Talon urges to be a new “cooperative relationship” purportedly not found in the prior art. It is not found in the Silberman patent, either, never having been claimed or specified. The consistently tardy nature of Talon’s position *vis-a-vis* patentability was recognized by the District Court:

“In both file wrappers, the arguments advanced by the applicant to show patentability over the

references, in many cases have little or no relationship to the contentions made at the trial by the plaintiffs in urging validity of the claims" (Rec. 136).

It is plain beyond question that the only difference between Sundback '884 and the Silberman patent in suit is the fact that Sundback machine employs an additional intermediate step between the formation of the zipper element and its attachment to the tape. Talon's brief urges that two advantages result from the elimination of this step; that it makes a Silberman type machine inexpensive and secondly, that the machine will operate at high speed. Other than the testimony reproduced on page 31 of Talon's opening brief, by its discredited (Rec. 1055, 6 *et seq.*) witness Doble that such a machine would be inexpensive, the record is devoid of any factual showing of what the Silberman machine would cost in comparison with any other machine. Regarding the allegation that the Silberman machine is faster than earlier machines, the principal testimony is that of Burkitt who, it is to be remembered, had appeared as counsel for Talon in the present litigation. It was his testimony that the Silberman machine was capable of operating "between 2000 and 2500 rpm" (Rec. 1041). There is other testimony that metal expansion causes the rams to freeze at much lower speeds (Rec. 739). It was apparent to the District Court that the extravagant claims made on behalf of Silberman's machine were untrue and that Talon was forced to exhibit a false Silberman machine (Ex. 5) for what it claimed to be a machine built according to the Silberman patent (Rec. 177). There is, in fact, no testimony whatsoever that Talon ever employed a machine built strictly in accordance with the Silberman patent, nor was any such machine offered or shown by Talon at the trial.

Talon's new explanation of the unexpected result allegedly obtained by forming and attaching the zipper elements simultaneously, are furthermore fully shown in the prior art. Thus, the patent to Smith (Rec. 1760), No. 1,533,352, although in an allied art, disclosed a progressive

punch-press method wherein an element integral to a strip of stock was manufactured without wastage and severed and attached simultaneously to the desired element in a manner exactly as Silberman describes.

The use of the strip itself to support zipper elements in attaching and spacing is shown clearly in the Johnson patent (Rec. 1765), No. 1,731,667. Johnson discloses an integral strip of elements whose integrity act as a handle for attaching and spacing the elements to the tape. Without unduly burdening this brief with lengthy cumulative citation of prior art, these patents show, if indeed anything need be shown, that the purported "new result" offered by Talon in its argument for patentability of Silberman are in fact an aggregation of old concepts, well known to all.

What then, does Talon say about the prior art. Page 40 *et seq.* of Talon's brief, lightheartedly dismisses Sundback '884 by having us "imagine" what would happen if the Sundback machine was speeded up. Page 41 of the brief finds Talon urging the great advance offered by Silberman's "wise-like grip during severing and attaching." Strong words, indeed, but what do they mean? Nothing apparently, as Silberman's patent says in col. 15, lines 14-23:

"It has been found desirable that the operation of clamping jaws 466 to the tape edge be completed substantially before the cutting off step proceeds. In this manner, when the legs of the element have been clamped upon the tape edge, *there is no necessity for controlling that element by holding it by any part of the machine during the stages of cutting off, as the element remains firmly attached to the tape.*"*

As to the remaining prior art patents, these are discussed on pages 42 *et seq.* of Talon's opening brief and are apparently dismissed on the grounds that they are, at least in Talon's view, "irrelevant", or "no wise pertinent."

Perhaps special mention should be made of Behrens (Rec. 1947) 2,267,783, which caused the cancellation of certain claims in the application for the patent. Talon now urges that Behrens is inoperative or that evil things may

* Emphasis except where noted to the contrary, is ours.

happen to the element if certain events should occur. It does not, however, state how Behrens fails to show each of the elements of the Silberman machine and why it was necessary to cancel claims as a result of its introduction into the Patent Office records.

As observed, the Silberman patent claims are purportedly combinations. Where a patentable invention, if it is present, is predicated upon the use of the various elements together and as such are subject to rules long established by the courts dealing with such patents. Thus, this Court in *Photochart v. Photo Patrol*, *supra*, said:

“It is not contended that the patent in suit contains any new or different element not existing in the prior art. If its validity is to be upheld it must be on the theory that the del Riccio method is a combination of old elements, constitutes invention and when it is within the mechanical skill of one working in the art. The most recent opinion of the Supreme Court on combination patents expresses the view that, ‘courts should scrutinize combination patent claims with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements.’ *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U. S. 147 (87 USPQ 303, 306). The test to be applied to such patents is that the combination must perform some new or different function—one that has *unusual* or *surprising* consequences. It is our view that the patent in suit fails to meet this *severe* test and does not constitute invention. The most that can be said for the patent in suit is that it rearranges the elements of the slit camera in such a manner that in the performance of their respective functions a higher degree of accuracy is obtained. But *perfection of workmanship, however useful or convenient, does not constitute invention . . .*”

This position is again enunciated in *Kwikset Locks, Inc. v. Hillgren*, 9th Cir., 210 Fed. 2d 483, where it is said:

“There is no invention of a ‘mere *aggregation* of a number of old parts or elements’, nor is the *accumulation* of old devices which do not in some way exceed ‘the sum of its parts’. (Emphasis ours).”

* In this case, emphasis is supplied by the Court.

“Moreover, a truly inventive combination must create what had not before existed or bring to light what lay hidden from vision in a way which can be distinguished from ‘simple mechanical skill’. *A mere advance in efficiency and utility is not enough to convert a non-inventive aggregation into a patentable combination.*”

In *Great A. & P. Tea Co. v. Supermarket Equipment Corp.*, 340 U. S. 147, 152, the Court invalidated a combination patent, stating that it was “wanting in any unusual or surprising consequences from the unification of the elements here concerned” and that there was no finding “that old elements which made up this device perform any additional or different function in the combination than they perform out of it”. And also:

“Courts should scrutinize combination patent claims with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements. The function of a patent is to add to the sum of useful knowledge. Patents cannot be sustained when, on the contrary, their effect is to subtract from former resources freely available to skilled artisans. A patent for a combination which only unites old elements with no change in their respective functions, such as is presented here, obviously withdraws what already is known into the field of its monopoly and diminishes the resources available to skilful men. This patentee has added nothing to the total stock of knowledge, but has merely brought together segments of prior art and claims them in congregation as a monopoly.”

C. The Claims Are Not Infringed.

A. The Silberman patent covers, if anything, only what it describes and produces—certainly not the Union machine. The Union machine is different from the Silberman patent in many important respects. As the District Court said (Rec. 178), listing the following:

1. A different result is obtained. The square shouldered zipper produced by the accused machine dis-

tinguishes from Silberman's round shouldered zipper and serves a useful purpose in ease and efficiency in operation.

2. Silberman's round shouldered zipper element is formed with a burr on each side which must be removed and even then there is a roughness which interferes with smooth action of the slider which interlocks and disengages the complementary zipper elements on a pair of zipper tapes.

3. Defendant's accused machine produces a square shouldered zipper element which is stronger and more firmly grips the tapes and because it does not have burrs such as Silberman it operates more smoothly.

There are actually other portions of Union's accused's structure which are not within the ambit of Silberman's claims, but the round shouldered—square shouldered dispute thoroughly aired before the District Court is at the heart of the matter. To understand it, one must refer to the history of the Silberman patent.

When Silberman was found to be an "industrial pirate" by Judge Woolsey in *Conmar v. Lamar*, Burkitt, Talon's witness, here testified that Silberman was under an injunction in the *Conmar* case not to build any machines which could produce square shouldered zippers (Rec. 1026, 7). Burkitt testified that the use of a notched die was purposely avoided in the Silberman application because of the *Conmar* injunction (Rec. 1027).

Round shouldered elements are zipper elements whose sides in the plane parallel to the applied tape provide a curvature. Square shouldered elements have sides that are flat. Round shouldered elements are most easily seen in the Legat patent (Rec. 1968) No. 2,116,726, Fig. 13. Fig. 13 of Legat shows the sides P and P' with curvature and thus demonstrates a round shouldered zipper element.

The issue here is further confused because of the erroneous showing of the zipper elements in "plaintiff's structure," Fig. A of Plate 2 in Talon's appendix to their open-

ing brief.* It is noteworthy that Talon's Plate 2 of its appendix shows the portions of the jaws (18) making contact with the elements and squeezing them onto the tape (19) as square. Such a shape would make the zipper element a square-shouldered element as Talon inferentially tries to have the Court believe. The zipper elements attached to the tape in the upper portion of Plate 2 are square, for example. This is an incorrect showing as may easily be seen by reference to Figs. 66, 67 and 68 of the Silberman patent where clearly the jaws which force the element onto the tape are rounded and produce a round shouldered zipper. Although the Silberman patent's Fig. 69 attempts to show that this roundness is somehow removed, the evidence is clear that the Silberman machine if it worked, produce a round shouldered zipper. Thus, Talon's Burkitt (1026, 7) explained at length that as the solicitor of the Silberman patent and as Silberman's attorney it was his function to keep Silberman free from the injunction in the *Conmar* case by staying away from making square shouldered zippers.

To the contrary, the Union structure even as shown in Talon's Appendix, Plate 3, shows a notched die element, which when the element is forced by the jaws onto the tape will form a square side, the narrow section of the element operating as a hinge as it is forced or squeezed upon the tape.

It is clear then that Silberman relates to round-shouldered elements, Union to square shouldered elements.

Returning once more to Fig. 69 of the Silberman patent, Union urges that the showing of a square element in Fig. 69 is in fact a misleading and improper disclosure of how Silberman operates. In the Silberman drawing, Fig. 68, it is clear that the closing jaws leave a burr (554) on the zipper element. It is also clear that this burr appears to have vanished in a succeeding stage of the zipper element

* Union has included for the Court's guidance in Appendix I, a photostatic copy of portions of Talon's erroneous showings setting forth the incorrect representations contained therein.

shown in Fig. 69. Plan views Figs. 20 and 69 of the completed element show no irregularity or disfigurement on the sides of the element and therefore burr 554 must have extended across the zipper element shoulder. However, Fig. 20A showing the cross-section of the zipper shows no disfigurement from the burr in a vertical plane. The patent specification states that the "swaging" operation shown in Fig. 32 will remove the burr, but fails to state how the burr could be removed without displacing the metal in some direction. The District Court came to the conclusion that the burr in Silberman's round shouldered element remained present and interfered with the operation of zippers made on Silberman's machine.

Corollary to the round shouldered—square shouldered issues are the extensive statements in the Silberman patent that the described stamping operation leaves no waste and therefore saves material. Thus, the Silberman specification says on page 1, column 2, line 40:

" . . . a strip of metal is formed into the elements, and the elements are attached to the tape as a part of a continuous operation, where no scrap of any kind is produced, where all metal from the metallic strip is utilized in the production of the element, and where no incision is produced in the strip for the production of such elements."

It was plainly Silberman's intention to carry out this object as Plate 2 of Talon's brief Appendix discloses; it is this same utilization of metal that caused the round-shouldered effect of the element previously described. On the other hand, even Talon's Plate 3, as incorrect as it is, shows Union's structure having notches in the material which, while it introduces waste, at the same time permits the elements formed upon the tape to have square shoulders.

Doble, Talon's expert witness testified that waste material was a distinct disadvantage in chain making machines in that they were difficult to dispose of and caused fracture of the dies (Rec. 242). Presumably, Silberman alleviated this condition by using all of the metal

in the formation of the element but as stated, ran into further difficulties in the formation of burrs on the zipper element itself. On the other hand, Union's structure employs notching and waste, having in itself a new and different way of removing the waste by means of a vacuum, a distinct advance in the art.

In the light of the prior art, it is clear that Silberman's claims properly limited cannot possibly extend to a machine for manufacturing square shouldered zippers or to machines employing a notching die to form the zipper element.

D. Talon is estopped from asserting the Silberman patent against Union and Union is licensed thereunder.

The issues of estoppel and license decided by the District Court in favor of Union depended solely on the credibility of witnesses. The District Court believed Lipson and the testimony presented in Union's behalf. The court found that Talon is estopped by McKee's statements and its actions from asserting the Silberman '793 patent against Union and licensed by Silberman in the agreement reached in the Hollywood Roosevelt Hotel. Such findings, based on an assay of the facts and testimony, should not be reversed, *Standard Oil Development Co. v. Marzall*, CA, D. C. 181 Fed. 2d 280.

E. The award of counsel fees is reasonable.

Talon's brief boldly asserts that the instant case is the ordinary patent infringement suit where the plaintiff did not prevail. With even greater temerity, Talon blatantly announces that "defendant cannot point to a single piece of evidence which supports the finding of bad faith on behalf of plaintiff." (Talon brief, p. 76.) As a result, Talon argues, the award of counsel fees to Union by the District Court was unwarranted.

In the face of the record, these contentions by Talon can be construed only as a final and desperate display of bravado; they are clearly insulting.

Let the record speak for itself: the commencement of this action by Talon upon no further investigation after an inspection of defendant's machines by Grosvenor McKee, a Vice-President and director of Talon, had found no infringement (R. 572, 574, 901, 902); the pirating by Talon of improvements made by Union under the cloak of this inspection (Finding R. 191, R. 723-728, 734-739); Talon's failure to permit the adjudication of the patents in issue (R. 133, Finding XXXIX R. 185); admissions by Silberman that his patent would not stand up (R. 874, 880, 1403); Talon's weak opinion of five of the six patents upon which it brought suit as evidenced by its backing down on four of such patents at the time of trial (R. 1227), and now, a fifth, the infamous Poux patent; Talon's use of such invalid and questionable patents as a club to exact quote license agreements so obviously restrictive of the production of competitors (Findings R. 184, R. 649-680); the sudden economic pressure exerted against Union after the commencement of this litigation (R. 1623-1632); the mysterious fire and the unexplained theft at Union's premises in which the only items other than petty cash and stamps found missing were drawings and blue prints of the new designs and improvements on Union's machines (R. 1625). It was in the face of such evidence that the District Court found Talon guilty of misuse of patents and unclean hands (Finding XXXX, R. 185).

The award of counsel fees is commonly upheld on a far lesser showing of bad faith and inequitable conduct on the part of a plaintiff, than Talon's conduct in the instant case. See, e.g., *Aeration Processes, Inc. v. Walter Kidde & Co. Inc.*, 177 Fed. 2d 772 (2nd Cir. 1949) where it was held that reasonable attorneys fees were allowed to a defendant where the plaintiff abandoned one of its patents at the trial.

Finally, it is uniformly held that under the statute, the question of awarding attorneys fees is one within the discretion of the District Court. *Blanc v. Spartan Tool Co.*, 7th Cir. 168 Fed. 2d 296.

With regard to the amount of the award, it is necessary only to consider the preparation from 1949 to 1955, the time of trial, which was necessary to defend against the charged infringement of six patents, four of which were dropped from the case only at the pretrial conference, a fifth on appeal, a nine day trial, and the pages of depositions of the six witnesses whose testimony was submitted at the trial.

Conclusion.

For the foregoing reasons, this Court should affirm the decision of the District Court insofar as it (1) held the Silberman patent 2,437,793 invalid and not infringed, and (2) should sustain the Court's proper exercise of discretion awarded to Union attorneys' fees in the reasonable sum of \$20,000.

Respectfully submitted,

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PUNCH AND DIE AS SHOWN COULD NOT
PUNCH STRIP AS SHOWN

'793 PUNCH IS TWO
PIECE PUNCH

FIG. 67 '793 SHOWS
CURVATURE IN JAW
FORMING ROUND
SHOULDERED ZIPPER

PLATE 2
NO SIGN OF BURR
ELEMENT 554 '793 PATENT

PLATE 3
DIAGRAM DISTORTED TO GIVE
APPEARANCE OF SLIGHT ROUND
SHOULDERED ZIPPER

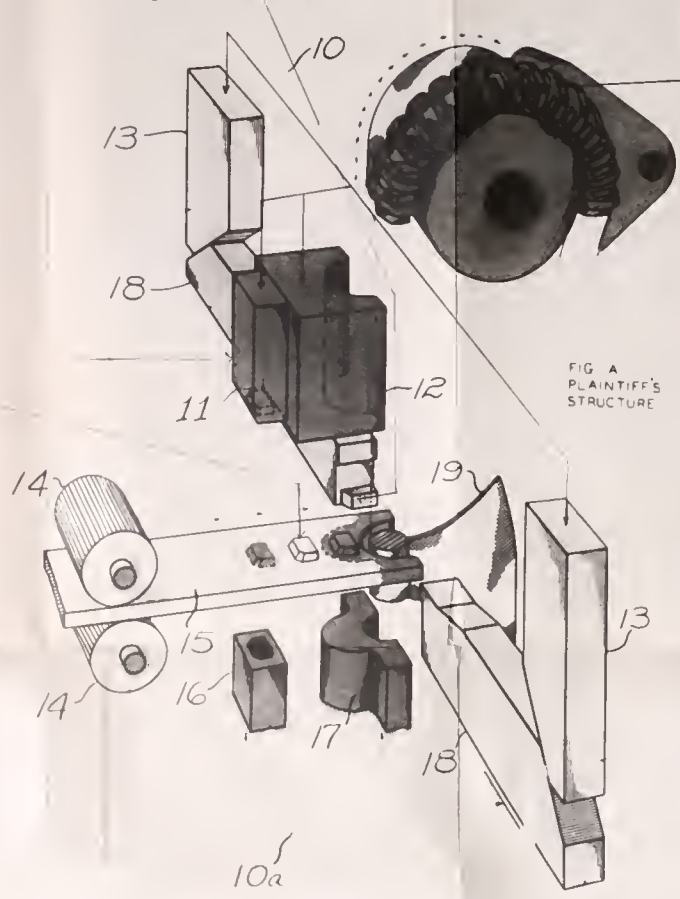


FIG A
PLAINTIFF'S
STRUCTURE

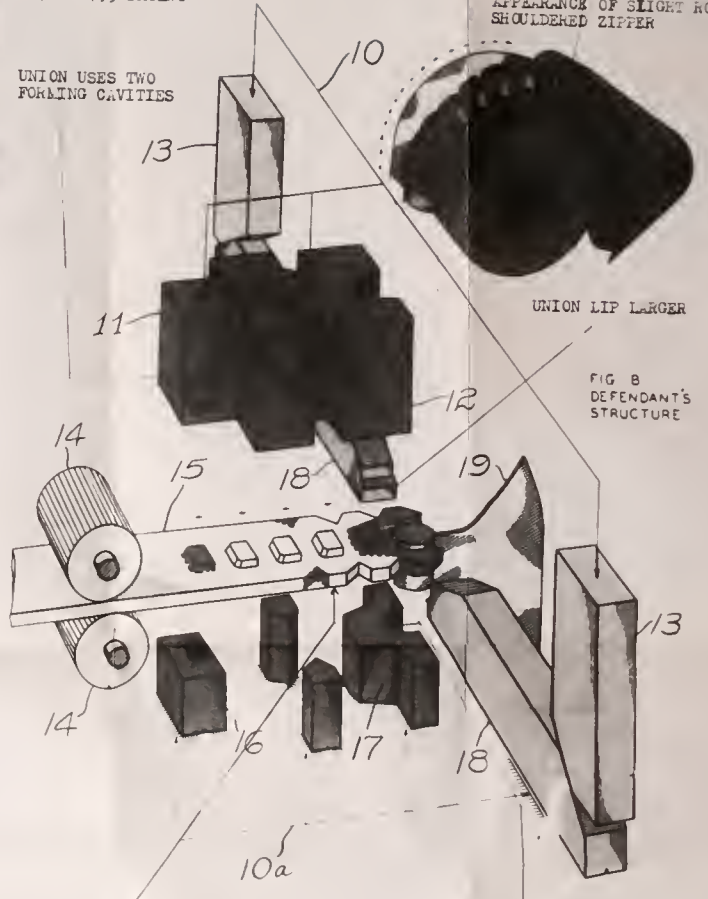


FIG B
DEFENDANT'S
STRUCTURE

UNION USES TWO
FORMING CAVITIES

UNION LIP LARGER

DISTANCE HERE DISPROPORTIONATELY
ENLARGED DISTORTING ELEMENT

LIMITED RECESS TO
PREVENT COLLAPSE OF WALL BETWEEN
RECESS AND WALL OF ELEMENT

